

AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1290

Introduced by Assembly Member Lara

February 18, 2011

An act to amend Section ~~19801~~ 19817 of the Business and Professions Code, relating to gambling.

LEGISLATIVE COUNSEL'S DIGEST

AB 1290, as amended, Lara. ~~Gambling.~~ *California Gambling Control Commission: Gaming Policy Advisory Committee.*

Existing law establishes the California Gambling Control Commission and requires the commission to establish a Gaming Policy Advisory Committee composed of representatives of controlled gambling licensees and members of the general public. Existing law requires the executive director of the commission to convene this advisory committee, from time to time, for the purpose of discussing recommended controlled gambling regulatory policy.

This bill would require the advisory committee to meet at least twice a year and would require the commission to consult with the committee on recommended proposed regulations.

~~The Gambling Control Act provides for the licensure of certain individuals and establishments involved in various gambling activities, and for the regulation of those activities, by the California Gambling Control Commission. The act sets forth related findings and declarations.~~

~~This bill would make technical, nonsubstantive changes to those findings and declarations.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 19817 of the Business and Professions*
2 *Code is amended to read:*

3 19817. The commission shall establish and appoint a Gaming
4 Policy Advisory Committee of 10 members. The committee shall
5 be composed of representatives of controlled gambling licensees
6 and members of the general public in equal numbers. The executive
7 director shall, from time to time, convene the committee for the
8 purpose of discussing matters of controlled gambling regulatory
9 policy and any other relevant gambling-related issue, *provided*
10 *that the committee shall meet at least twice a year. The commission*
11 *shall consult with the committee on proposed regulations.* The
12 recommendations concerning gambling policy *and proposed*
13 *regulations* made by the committee shall be presented to the
14 commission, but shall be deemed advisory and not binding on the
15 commission in the performance of its duties or functions. The
16 committee ~~may~~ *shall* not advise the commission on Indian gaming.

17 ~~SECTION 1. Section 19801 of the Business and Professions~~
18 ~~Code is amended to read:~~

19 ~~19801. The Legislature hereby finds and declares all of the~~
20 ~~following:~~

21 ~~(a) State law prohibits commercially operated lotteries, banked~~
22 ~~or percentage games, and gambling machines, and strictly regulates~~
23 ~~parimutuel wagering on horse racing. To the extent that state law~~
24 ~~categorically prohibits certain forms of gambling and prohibits~~
25 ~~gambling devices, nothing herein shall be construed, in any manner,~~
26 ~~to reflect a legislative intent to relax those prohibitions.~~

27 ~~(b) The State of California has permitted the operation of~~
28 ~~gambling establishments for more than 100 years. Gambling~~
29 ~~establishments were first regulated by the State of California~~
30 ~~pursuant to legislation that was enacted in 1984. Gambling~~
31 ~~establishments currently employ more than 20,000 people in the~~
32 ~~State of California, and contribute more than one hundred million~~
33 ~~dollars (\$100,000,000) in taxes and fees to California's~~
34 ~~government. Gambling establishments are lawful enterprises in~~
35 ~~the State of California, and are entitled to full protection of the~~
36 ~~laws of this state.~~

37 ~~(c) Gambling can become addictive and is not an activity to be~~
38 ~~promoted or legitimized as entertainment for children and families.~~

1 ~~(d) Unregulated gambling enterprises are inimical to the public~~
2 ~~health, safety, welfare, and good order. Accordingly, no person in~~
3 ~~this state has a right to operate a gambling enterprise, except as~~
4 ~~may be expressly permitted by the laws of this state and by the~~
5 ~~ordinances of local governmental bodies.~~

6 ~~(e) It is the policy of this state that gambling activities that are~~
7 ~~not expressly prohibited or regulated by state law may be prohibited~~
8 ~~or regulated by local government. Moreover, it is the policy of this~~
9 ~~state that no new gambling establishment may be opened in a city,~~
10 ~~county, or city and county in which a gambling establishment was~~
11 ~~not operating on and before January 1, 1984, except upon the~~
12 ~~affirmative vote of the electors of that city, county, or city and~~
13 ~~county.~~

14 ~~(f) It is not the purpose of this chapter to expand opportunities~~
15 ~~for gambling, or to create any right to operate a gambling enterprise~~
16 ~~in this state or to have a financial interest in any gambling~~
17 ~~enterprise. Rather, it is the purpose of this chapter to regulate~~
18 ~~businesses that offer otherwise lawful forms of gambling games.~~

19 ~~(g) Public trust that permissible gambling will not endanger~~
20 ~~public health, safety, or welfare requires that comprehensive~~
21 ~~measures be enacted to ensure that gambling is free from criminal~~
22 ~~and corruptive elements, that it is conducted honestly and~~
23 ~~competitively, and that it is conducted in suitable locations.~~

24 ~~(h) Public trust and confidence can only be maintained by strict~~
25 ~~and comprehensive regulation of all persons, locations, practices,~~
26 ~~associations, and activities related to the operation of lawful~~
27 ~~gambling establishments and the manufacture and distribution of~~
28 ~~permissible gambling equipment.~~

29 ~~(i) All gambling operations, all persons having a significant~~
30 ~~involvement in gambling operations, all establishments where~~
31 ~~gambling is conducted, and all manufacturers, sellers, and~~
32 ~~distributors of gambling equipment must be licensed and regulated~~
33 ~~to protect the public health, safety, and general welfare of the~~
34 ~~residents of this state as an exercise of the police powers of the~~
35 ~~state.~~

36 ~~(j) To ensure that gambling is conducted honestly, competitively,~~
37 ~~and free of criminal and corruptive elements, all licensed gambling~~
38 ~~establishments in this state must remain open to the general public,~~
39 ~~and the access of the general public to licensed gambling activities~~
40 ~~must not be restricted in any manner, except as provided by the~~

1 Legislature. However, subject to state and federal prohibitions
2 against discrimination, nothing herein shall be construed to
3 preclude exclusion of unsuitable persons from licensed gambling
4 establishments in the exercise of reasonable business judgment.

5 (k) In order to effectuate state policy as declared herein, it is
6 necessary that gambling establishments, activities, and equipment
7 be licensed, that persons participating in those activities be licensed
8 or registered, that certain transactions, events, and processes
9 involving gambling establishments and owners of gambling
10 establishments be subject to prior approval or permission, that
11 unsuitable persons not be permitted to associate with gambling
12 activities or gambling establishments, and that gambling activities
13 take place only in suitable locations. Any license or permit issued,
14 or other approval granted pursuant to this chapter, is declared to
15 be a revocable privilege, and no holder acquires any vested right
16 therein or thereunder.

17 (l) The location of lawful gambling premises, the hours of
18 operation of those premises, the number of tables permitted in
19 those premises, and wagering limits in permissible games
20 conducted in those premises are proper subjects for regulation by
21 local governmental bodies. However, consideration of those same
22 subjects by a state regulatory agency, as specified in this chapter,
23 is warranted when local governmental regulation respecting those
24 subjects is inadequate or the regulation fails to safeguard the
25 legitimate interests of residents in other governmental jurisdictions.

26 (m) The exclusion or ejection of certain persons from gambling
27 establishments is necessary to effectuate the policies of this chapter
28 and to maintain effectively the strict regulation of licensed
29 gambling.

30 (n) Records and reports of cash and credit transactions involving
31 gambling establishments may have a high degree of usefulness in
32 criminal and regulatory investigations and, therefore, licensed
33 gambling operators may be required to keep records and make
34 reports concerning significant cash and credit transactions.